

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 245

February 8, 2021

SUMMARY OF BILL: Redesignates the South Jackson Civic Center in Tullahoma from a premier type tourist resort to a community theater for the purposes of selling alcoholic beverages on the premises.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue - \$1,550/FY21-22/ABC
\$1,850/FY22-23 and Subsequent Years/ABC**

Decrease Local Revenue - \$1,200/FY21-22 and Subsequent Years

Assumptions:

- This legislation only applies to one entity located in Tullahoma, Coffee County.
- It is assumed that the South Jackson Civic Center will seek a community theater license.
- There is an initial application fee of \$300 and a \$150 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- A total decrease in state revenue to ABC of \$1,550 [\$2,000 premier type tourist resort annual fee - (\$300 + \$150)] in FY21-22 and a decrease in state revenue to ABC of \$1,850 (\$2,000 - \$150) in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 57-4-301(b)(2), the local privilege tax is estimated to be \$1,500 for a premier type tourist resort and \$300 for community theater.
- A decrease in local privilege tax of \$1,200 (\$1,500 - \$300).
- Changing the type of license an establishment has will not impact the demand for alcoholic beverages from the establishment; therefore, any impact on liquor-by-the-drink and sales taxes is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic".

Bojan Savic, Interim Executive Director

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